# Jentech

## Buy: heat spreader momentum still solid with ASP growth; MCL more likely in 2H28

**Reiterate Rating: BUY | PO: 4,000 TWD | Price: 3,370 TWD**

28 July 2026

Equity

### Ongoing ASP growth for next-gen GPU heat spreader

Our latest checks suggest that (1) heat spreaders will still be used in Nvidia's Rubin Ultra generation and (2) ASP for the Rubin/Rubin Ultra generations will be US$100/US$200 (vs. US$30 for Blackwell Ultra), driven by design upgrades, such as the removable lid design for Rubin Ultra, and higher quality requirements, such as flatness.

### Stronger 2Q26 sales; expect ongoing margin expansion

Jentech's 2Q26 sales (+37% QoQ, +40% YoY) were 14%/12% above BofAe/consensus. We attribute solid sales mainly to heat spreader ASP hike amid generation migration. With stronger sales, we expect its ongoing margin expansion trend to remain intact. We project 2Q26 GM/OPM at 44.3%/36.0%, vs. 41.8%/32.0% in 1Q26 and 41.5%/32.8% in 2Q25. Jentech plans to post 2Q26 results on 12 Aug after market close. We project Jentech's sales to grow 10% QoQ in 3Q26 off a high 2Q26 base and 18% QoQ in 4Q26, supported by stronger momentum for next-gen products, such as AMD MI450.

### MCL now more likely in 2H28 for Feynman generation

Our latest checks also suggest that microchannel lid (MCL) will likely be used from 2H28 for Nvidia's Feynman generation, vs. our previous expectation for the Rubin Ultra generation. We view supply chain readiness and yield rate as the major reasons for the delay. Still, we think Jentech is the enabler for MCL and should be the first MCL supplier. On the other hand, we expect limited sales contribution from cold plate/CPO in 2026-28.

### New PO NT$4,000; reit. Buy: top packaging-level cooling name

We lift our 2026E EPS by 7% and keep 2027E EPS roughly unchanged to reflect still solid sales/margin outlook for packaging-level cooling business but cut our 2028E EPS by 20% for a later MCL adoption schedule. We trim our PO to NT$4,000 from NT$4,655 with valuation methodology unchanged at 25x 2H27-1H28E EPS. Reiterate Buy as top semi packaging-level component maker with 65%/86% sales/EPS CAGR in 2026-28E.

| Estimates (Dec) (NT$) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Net Income (Adjusted - mn) | 3,428 | 5,277 | 8,927 | 17,379 | 30,797 |
| EPS | 24.15 | 36.75 | 61.62 | 119.96 | 212.59 |
| EPS Change (YoY) | 45.5% | 52.2% | 67.7% | 94.7% | 77.2% |
| Dividend / Share | 14.50 | 22.00 | 30.81 | 53.98 | 74.41 |
| Free Cash Flow / Share | 16.05 | 25.08 | 35.84 | 70.76 | 137.02 |
| **Valuation (Dec)** | | | | | |
| P/E | 139.55x | 91.70x | 54.69x | 28.09x | 15.85x |
| Dividend Yield | 0.430% | 0.653% | 0.914% | 1.60% | 2.21% |
| EV / EBITDA* | 112.88x | 69.43x | 40.35x | 21.40x | 12.30x |
| Free Cash Flow Yield* | 0.461% | 0.728% | 1.05% | 2.07% | 4.01% |

* For full definitions of *iQmethod*SM measures, see page 7.

**Key Changes**

| (NT$) | Previous | Current |
|---|---|---|
| Price Obj. | 4,655.00 | 4,000.00 |
| 2026E EPS | 57.77 | 61.62 |
| 2027E EPS | 120.52 | 119.96 |
| 2028E EPS | 264.47 | 212.59 |
| 2026E EBITDA (m) | 11,681.0 | 12,298.3 |
| 2027E EBITDA (m) | 23,365.2 | 23,186.6 |
| 2028E EBITDA (m) | 50,064.1 | 40,346.5 |

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**Stock Data**

| | |
|---|---|
| Price | 3,370 TWD |
| Price Objective | 4,000 TWD |
| Date Established | 28-Jul-2026 |
| Investment Opinion | C-1-7 |
| 52-Week Range | 1,265 TWD-5,685 TWD |
| Mrkt Val / Shares Out (mn) | 15,317 USD / 146.7 |
| Market Value (mn) | 494,490 TWD |
| Average Daily Value (mn) | 140.76 USD |
| Free Float | 51.9% |
| BofA Ticker / Exchange | XVFSF / TAI |
| Bloomberg / Reuters | 3653 TT / 3653.TW |
| ROE (2026E) | 34.7% |
| Net Dbt to Eqty (Dec-2025A) | -39.6% |

Acronyms, see Exhibit 8

# *iQprofile*℠ Jentech

| Key Income Statement Data (Dec) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **(NT$ Millions)** | | | | | |
| Sales | 14,278 | 20,276 | 29,960 | 49,975 | 81,505 |
| Gross Profit | 5,365 | 8,434 | 13,564 | 24,488 | 41,732 |
| Sell General & Admin Expense | (969) | (1,196) | (1,394) | (1,414) | (1,512) |
| Operating Profit | 3,799 | 6,498 | 11,251 | 22,081 | 39,190 |
| Net Interest & Other Income | 447 | 109 | 182 | 129 | 129 |
| Associates | NA | NA | NA | NA | NA |
| Pretax Income | 4,245 | 6,607 | 11,433 | 22,210 | 39,319 |
| Tax (expense) / Benefit | (830) | (1,297) | (2,469) | (4,796) | (8,486) |
| Net Income (Adjusted) | 3,428 | 5,277 | 8,927 | 17,379 | 30,797 |
| Average Fully Diluted Shares Outstanding | 142 | 144 | 145 | 145 | 145 |
| **Key Cash Flow Statement Data** | | | | | |
| Net Income | 3,428 | 5,277 | 8,927 | 17,379 | 30,797 |
| Depreciation & Amortization | 597 | 648 | 1,047 | 1,106 | 1,157 |
| Change in Working Capital | (1,489) | (1,655) | (3,283) | (6,734) | (10,604) |
| Deferred Taxation Charge | NA | NA | NA | NA | NA |
| Other Adjustments, Net | 355 | 503 | 0 | 0 | 0 |
| Cash Flow from Operations | 2,891 | 4,774 | 6,692 | 11,751 | 21,350 |
| Capital Expenditure | (613) | (1,173) | (1,500) | (1,500) | (1,500) |
| (Acquisition) / Disposal of Investments | 0 | 0 | 0 | 0 | 0 |
| Other Cash Inflow / (Outflow) | (1,950) | 159 | 0 | 0 | 0 |
| Cash Flow from Investing | (2,563) | (1,014) | (1,500) | (1,500) | (1,500) |
| Shares Issue / (Repurchase) | 0 | 0 | 0 | 0 | 0 |
| Cost of Dividends Paid | (1,436) | (2,072) | (3,159) | (4,464) | (7,821) |
| Cash Flow from Financing | (2,215) | 3,077 | (3,159) | (4,464) | (7,821) |
| Free Cash Flow | 2,278 | 3,601 | 5,192 | 10,251 | 19,850 |
| Net Debt | (2,267) | (9,134) | (11,167) | (16,954) | (28,983) |
| Change in Net Debt | 1,204 | (6,867) | (2,033) | (5,787) | (12,030) |
| **Key Balance Sheet Data** | | | | | |
| Property, Plant & Equipment | 4,852 | 8,073 | 8,526 | 8,921 | 9,264 |
| Other Non-Current Assets | 4,115 | 1,329 | 1,329 | 1,329 | 1,329 |
| Trade Receivables | 4,061 | 5,414 | 7,999 | 13,343 | 21,762 |
| Cash & Equivalents | 2,267 | 9,134 | 11,167 | 16,954 | 28,983 |
| Other Current Assets | 3,167 | 4,019 | 5,424 | 8,227 | 12,634 |
| Total Assets | 18,462 | 27,969 | 34,445 | 48,774 | 73,971 |
| Long-Term Debt | 0 | 0 | 0 | 0 | 0 |
| Other Non-Current Liabilities | 384 | 451 | 451 | 451 | 451 |
| Short-Term Debt | 0 | 0 | 0 | 0 | 0 |
| Other Current Liabilities | 3,420 | 4,453 | 5,161 | 6,575 | 8,795 |
| Total Liabilities | 3,804 | 4,904 | 5,612 | 7,025 | 9,246 |
| Total Equity | 14,658 | 23,065 | 28,833 | 41,749 | 64,725 |
| Total Equity & Liabilities | 18,462 | 27,969 | 34,445 | 48,774 | 73,971 |
| ***iQ**method*℠ **- Bus Performance*** | | | | | |
| Return On Capital Employed | 22.0% | 27.5% | 33.7% | 48.7% | 57.4% |
| Return On Equity | 26.4% | 28.3% | 34.7% | 49.6% | 58.1% |
| Operating Margin | 26.6% | 32.0% | 37.6% | 44.2% | 48.1% |
| EBITDA Margin | 30.8% | 35.2% | 41.0% | 46.4% | 49.5% |
| ***iQ**method*℠ **- Quality of Earnings*** | | | | | |
| Cash Realization Ratio | 0.8x | 0.9x | 0.7x | 0.7x | 0.7x |
| Asset Replacement Ratio | 1.0x | 1.8x | 1.4x | 1.4x | 1.3x |
| Tax Rate (Reported) | 19.6% | 19.6% | 21.6% | 21.6% | 21.6% |
| Net Debt-to-Equity Ratio | -15.5% | -39.6% | -38.7% | -40.6% | -44.8% |
| Interest Cover | NM | NM | NM | NM | NM |

**Key Metrics**

* For full definitions of *iQmethod*℠ measures, see page 7.

## Company Sector

IT Hardware

## Company Description

Jentech is the globally leading semi-packaging level cooling component (heat spreader, lid, stiffener) manufacturer from Taiwan for PC and server. It also offers lead frame for auto and other component/connector for consumer electronic devices.

Jentech was founded on 28 March 1987 and was publicly listed on the Taiwan Stock Exchange on 18 Nov 2009. Its manufacturing facilities are located in Taiwan and China and its headquarter is located in Taoyuan, Taiwan.

## Investment Rationale

We assign a Buy rating to Jentech given its leading position in semi-packaging level cooling component to ride on strong AI market demand and still evolving cooling design. We also believe Jentech will be the enabler and first/key maker for the most-advanced microchannel lid (MCL) liquid cooling design, driving its concrete sales/EPS CAGR in 2026-28.

## Stock Data

| | |
|---|---|
| Price to Book Value | 17.3x |

**Exhibit 1: We lift 2026E ESP by 7%, keep 2027E EPS roughly unchanged, and trim 2028E EPS by 20%**
Earnings revision summary, 2026-28

| | BofA 2026E | | | BofA 2027E | | | BofA 2028E | | |
|---|---|---|---|---|---|---|---|---|---|
| **NT$mn** | **New** | **Old** | **Diff (%)** | **New** | **Old** | **Diff (%)** | **New** | **Old** | **Diff (%)** |
| Sales | 29,960 | 28,392 | 6% | 49,975 | 50,322 | -1% | 81,505 | 98,346 | -17% |
| Gross profit | 13,564 | 12,828 | 6% | 24,488 | 24,648 | -1% | 41,732 | 51,650 | -19% |
| Operating profit | 11,251 | 10,634 | 6% | 22,081 | 22,260 | -1% | 39,190 | 48,907 | -20% |
| Pretax profit | 11,433 | 10,745 | 6% | 22,210 | 22,371 | -1% | 39,319 | 49,019 | -20% |
| Net income | 8,927 | 8,370 | 7% | 17,379 | 17,459 | 0% | 30,797 | 38,313 | -20% |
| EPS (NT$) | 61.62 | 57.77 | 7% | 119.96 | 120.52 | 0% | 212.59 | 264.47 | -20% |
| **Margin %** | | | | | | | | | |
| Gross margin | 45.3% | 45.2% | | 49.0% | 49.0% | | 51.2% | 52.5% | |
| Operating margin | 37.6% | 37.5% | | 44.2% | 44.2% | | 48.1% | 49.7% | |
| Pre-tax margin | 38.2% | 37.8% | | 44.4% | 44.5% | | 48.2% | 49.8% | |
| Net margin | 29.8% | 29.5% | | 34.8% | 34.7% | | 37.8% | 39.0% | |

**Source:** BofA Global Research estimates

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**Exhibit 2: Our 2026/28E EPS is 6%/15% above consensus while 2027E EPS is in line with consensus**
BofAe vs. consensus, 2026-28

| | 2026E | | | 2027E | | | 2028E | | |
|---|---|---|---|---|---|---|---|---|---|
| **NT$mn** | **BofAe** | **Consensus** | **Diff (%)** | **BofAe** | **Consensus** | **Diff (%)** | **BofAe** | **Consensus** | **Diff (%)** |
| Sales | 29,960 | 29,158 | 3% | 49,975 | 52,549 | -5% | 81,505 | 76,688 | 6% |
| Gross profit | 13,564 | 13,002 | 4% | 24,488 | 25,791 | -5% | 41,732 | 37,193 | 12% |
| Operating profit | 11,251 | 10,548 | 7% | 22,081 | 22,349 | -1% | 39,190 | 34,207 | 15% |
| Pretax profit | 11,433 | 10,697 | 7% | 22,210 | 22,468 | -1% | 39,319 | 34,340 | 14% |
| Net income | 8,927 | 8,478 | 5% | 17,379 | 17,810 | -2% | 30,797 | 27,190 | 13% |
| EPS (NT$) | 61.62 | 57.93 | 6% | 119.96 | 120.39 | 0% | 212.59 | 185.27 | 15% |
| **Margin %** | | | | | | | | | |
| Gross margin | 45.3% | 44.6% | | 49.0% | 49.1% | | 51.2% | 48.5% | |
| Operating margin | 37.6% | 36.2% | | 44.2% | 42.5% | | 48.1% | 44.6% | |
| Pre-tax margin | 38.2% | 36.7% | | 44.4% | 42.8% | | 48.2% | 44.8% | |
| Net margin | 29.8% | 29.1% | | 34.8% | 33.9% | | 37.8% | 35.5% | |

**Source:** BofA Global Research estimates, Bloomberg consensus

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**Exhibit 3: Our new 2Q26E EPS is 15% above consensus**
2Q26 results preview

| **NT$mn** | **BofAe 2Q26E New** | **QoQ %** | **YoY %** | **BofAe 2Q26E Old** | **Diff (%)** | **2Q26E Consensus** | **Diff (%)** | **1Q26** | **2Q25** |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 7,275 | 37% | 40% | 6,380 | 14% | 6,470 | 12% | 5,305 | 5,181 |
| Gross profit | 3,221 | 45% | 50% | 2,842 | 13% | 2,832 | 14% | 2,217 | 2,149 |
| Operating profit | 2,617 | 54% | 54% | 2,306 | 13% | 2,254 | 16% | 1,697 | 1,699 |
| Pretax profit | 2,653 | 49% | 100% | 2,340 | 13% | 2,276 | 17% | 1,776 | 1,327 |
| Net income | 2,086 | 49% | 86% | 1,838 | 13% | 1,828 | 14% | 1,398 | 1,121 |
| EPS (NT$) | 14.40 | 49% | 84% | 12.69 | 13% | 12.51 | 15% | 9.65 | 7.81 |
| **Margin %** | | | | | | | | | |
| Gross margin | 44.3% | 2.5 ppt | 2.8 ppt | 44.5% | -0.3 ppt | 43.8% | 0.5 ppt | 41.8% | 41.5% |
| Operating margin | 36.0% | 4.0 ppt | 3.2 ppt | 36.1% | -0.2 ppt | 34.8% | 1.1 ppt | 32.0% | 32.8% |
| Pre-tax margin | 36.5% | 3.0 ppt | 10.9 ppt | 36.7% | -0.2 ppt | 35.2% | 1.3 ppt | 33.5% | 25.6% |
| Net margin | 28.7% | 2.3 ppt | 7.0 ppt | 28.8% | -0.1 ppt | 28.3% | 0.4 ppt | 26.4% | 21.6% |

**Source:** BofA Global Research estimates, Bloomberg consensus

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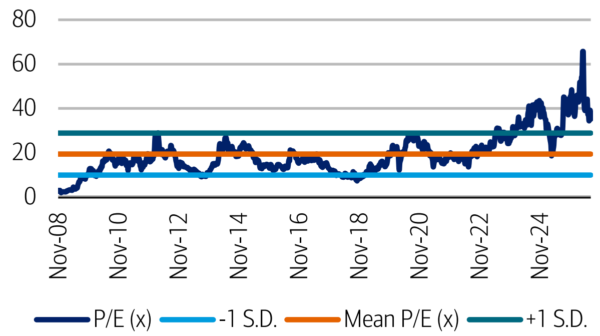
**Exhibit 4: Jentech's historical P/E trading average since IPO is around 19x, vs. currently 35x one-year forward P/E**
Jentech's P/E trend and -1/+1 standard deviation since IPO in Nov 2008




**Source:** BofA Global Research estimates, TEJ, Bloomberg

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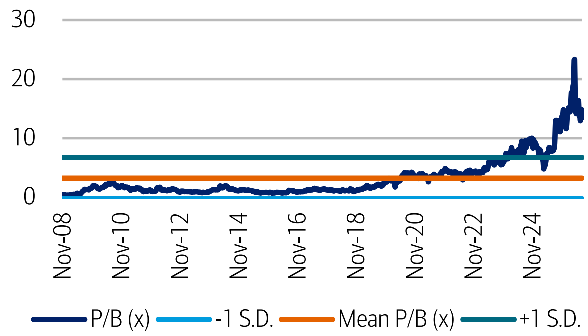
**Exhibit 5: Jentech's historical P/B trading average since IPO is around 3.2x, vs. currently 13.4x one-year forward P/B**
Jentech's P/B trend and -1/+1 standard deviation since IPO in Nov 2008




**Source:** BofA Global Research estimates, TEJ, Bloomberg

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**Exhibit 4: We project 2026-28E sales/EPS CAGR at 65%/86%**
Quarterly earnings summary, 2025-28

| NT$mn | 1Q26 | 2Q26E | 3Q26E | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E | 1Q28E | 2Q28E | 3Q28E | 4Q28E | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales | 5,305 | 7,275 | 7,977 | 9,403 | 10,104 | 11,035 | 13,510 | 15,326 | 16,569 | 18,146 | 21,870 | 24,920 | 20,276 | 29,960 | 49,975 | 81,505 |
| Gross profit | 2,217 | 3,221 | 3,673 | 4,454 | 4,838 | 5,337 | 6,672 | 7,641 | 8,333 | 9,208 | 11,252 | 12,939 | 8,434 | 13,564 | 24,488 | 41,732 |
| Operating profit | 1,697 | 2,617 | 3,091 | 3,847 | 4,242 | 4,733 | 6,071 | 7,036 | 7,723 | 8,595 | 10,618 | 12,254 | 6,498 | 11,251 | 22,081 | 39,190 |
| Pretax profit | 1,776 | 2,653 | 3,137 | 3,867 | 4,271 | 4,771 | 6,114 | 7,054 | 7,752 | 8,633 | 10,661 | 12,272 | 6,607 | 11,433 | 22,210 | 39,319 |
| Net income | 1,398 | 2,086 | 2,437 | 3,006 | 3,369 | 3,759 | 4,759 | 5,492 | 6,119 | 6,810 | 8,306 | 9,563 | 5,277 | 8,927 | 17,379 | 30,797 |
| EPS (NT$) | 9.65 | 14.40 | 16.82 | 20.75 | 23.25 | 25.95 | 32.85 | 37.91 | 42.24 | 47.01 | 57.33 | 66.01 | 36.75 | 61.62 | 119.96 | 212.59 |
| **Margin %** | | | | | | | | | | | | | | | | |
| Gross margin | 41.8% | 44.3% | 46.0% | 47.4% | 47.9% | 48.4% | 49.4% | 49.9% | 50.3% | 50.7% | 51.4% | 51.9% | 41.6% | 45.3% | 49.0% | 51.2% |
| Operating margin | 32.0% | 36.0% | 38.7% | 40.9% | 42.0% | 42.9% | 44.9% | 45.9% | 46.6% | 47.4% | 48.5% | 49.2% | 32.0% | 37.6% | 44.2% | 48.1% |
| Pretax margin | 33.5% | 36.5% | 39.3% | 41.1% | 42.3% | 43.2% | 45.3% | 46.0% | 46.8% | 47.6% | 48.7% | 49.2% | 32.6% | 38.2% | 44.4% | 48.2% |
| Net margin | 26.4% | 28.7% | 30.6% | 32.0% | 33.3% | 34.1% | 35.2% | 35.8% | 36.9% | 37.5% | 38.0% | 38.4% | 26.0% | 29.8% | 34.8% | 37.8% |
| **QoQ %** | | | | | | | | | | | | | | | | |
| Sales | 1% | 37% | 10% | 18% | 7% | 9% | 22% | 13% | 8% | 10% | 21% | 14% | | | | |
| Gross profit | 2% | 45% | 14% | 21% | 9% | 10% | 25% | 15% | 9% | 11% | 22% | 15% | | | | |
| Operating profit | 3% | 54% | 18% | 24% | 10% | 12% | 28% | 16% | 10% | 11% | 24% | 15% | | | | |
| Pretax profit | -2% | 49% | 18% | 23% | 10% | 12% | 28% | 15% | 10% | 11% | 23% | 15% | | | | |
| Net income | -2% | 49% | 17% | 23% | 12% | 12% | 27% | 15% | 11% | 11% | 22% | 15% | | | | |
| **YoY %** | | | | | | | | | | | | | | | | |
| Sales | 12% | 40% | 57% | 78% | 90% | 52% | 69% | 63% | 64% | 64% | 62% | 63% | 42% | 48% | 67% | 63% |
| Gross profit | 4% | 50% | 86% | 105% | 118% | 66% | 82% | 72% | 72% | 73% | 69% | 69% | 57% | 61% | 81% | 70% |
| Operating profit | 2% | 54% | 108% | 133% | 150% | 81% | 96% | 83% | 82% | 82% | 75% | 74% | 71% | 73% | 96% | 77% |
| Pretax profit | 2% | 100% | 82% | 113% | 141% | 80% | 95% | 82% | 82% | 81% | 74% | 74% | 56% | 73% | 94% | 77% |
| Net income | 2% | 86% | 80% | 110% | 141% | 80% | 95% | 83% | 82% | 81% | 75% | 74% | 54% | 69% | 95% | 77% |

**Source:** BofA Global Research estimates, company data

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**Exhibit 8: Acronyms**
Acronyms used throughout the report

| Acronym | | Acronym | | Acronym | |
|---|---|---|---|---|---|
| AI | Artificial Intelligence | FX | Foreign Exchange | P/B | Price to Book |
| AMD | Advanced Micro Devices (AMD US) | Gen | Generation | P/E | Price to Earnings |
| ASP | Average Selling Price | GM | Gross Margin | PC | Personal Computer |
| CAGR | Compound Annual Growth Rate | GPU | Graphic Processing Unit | PO | Price Objective |
| CPO | Co-Packaged Optics | IPO | Initial Public Offering | RHS | Right Hand Side |
| CSP | Cloud Service Provider | MCL | Microchannel Lid | SD | Standard Deviation |
| Diff | Difference | NTD / NT$ | New Taiwan Dollars | USD / US$ | US Dollars |
| EPS | Earnings Per Share | OPM | Operating Profit Margin | | |

**Source:** BofA Global Research

BofA GLOBAL RESEARCH

## Price objective basis & risk

**Jentech (XVFSF)**

Our PO of NT$4,000 is based on 25x 2H27-1H28E EPS. We use 25x P/E multiple (around 1SD above P/E average since IPO) in view of strong AI server market demand, leading position in semi-packaging level cooling components, expanding margins, and double-digit sales/EPS CAGR in 2026-28E.

Upside risks to our PO are: (1) stronger AI server demand, (2) supply chain's faster cooling design migration, (3) faster capacity expansion, (4) favorable FX movement (mainly USD/NTD).

Downside risks to our PO are: (1) softer AI server demand, (2) GM pressure due to higher raw material cost, (3) supply chain's delayed cooling design migration, (4) slower capacity expansion, (5) unfavorable FX movement (mainly USD/NTD) to weigh on GM and/or non-operating items.

## Analyst Certification

I, Doris Kao, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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**APR - Technology Hardware Coverage Cluster**

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---|---|---|---|---|
| **BUY** | | | | |
| | AAC Technologies | AACAF | 2018 HK | Katherine Zhu |
| | Asia Vital Components | AVMPF | 3017 TT | Doris Kao |
| | BizLink | BIZLF | 3665 TT | Doris Kao |
| | Chenbro | CEOMF | 8210 TT | Doris Kao |

**APR - Technology Hardware Coverage Cluster**

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---|---|---|---|---|
| | Cowell | CWLLF | 1415 HK | Katherine Zhu |
| | Crystal-Optech | XMKAF | 002273 CH | Katherine Zhu |
| | Delta Electronics Inc. | DLTEF | 2308 TT | Robert Cheng |
| | Duksan Neolux | XDSXF | 213420 KS | Simon Woo, CFA |
| | Dynamic Holding | XLHCF | 3715 TT | Mike Yang |
| | E Ink Holdings | PVWIF | 8069 TT | Doris Kao |
| | Elite Material | ETMCF | 2383 TT | Mike Yang |
| | Foxconn Industrial Internet | XDAZF | 601138 CH | Robert Cheng |
| | Goertek | XGKCF | 002241 CH | Katherine Zhu |
| | Gold Circuit | GOCCF | 2368 TT | Doris Kao |
| | Hana Microelectronics | XHNNF | HANA TB | Suppapong Iemkongaek, CFA, CMT |
| | Hon Hai Precision Industry | HNHAF | 2317 TT | Robert Cheng |
| | Huaqin | XHUAF | 603296 CH | Katherine Zhu |
| | Huaqin | XPEZF | 3296 HK | Katherine Zhu |
| | ISU Petasys | IPTYF | 007660 KS | Matt Shin |
| | Jentech | XVFSF | 3653 TT | Doris Kao |
| | King Slide | KGSLF | 2059 TT | Doris Kao |
| | Kinsus | KNSUF | 3189 TT | Mike Yang |
| | Largan Precision | LGANF | 3008 TT | Robert Cheng |
| | Lens Tech | XLTVF | 6613 HK | Katherine Zhu |
| | LG CNS | XLGLF | 064400 KS | Simon Woo, CFA |
| | LG Electronics | LGEAF | 066570 KS | Simon Woo, CFA |
| | LG Innotek | XLGQF | 011070 KS | Simon Woo, CFA |
| | Lotes | ZYZTF | 3533 TT | Doris Kao |
| | Luxshare | XNJQF | 002475 CH | Robert Cheng |
| | Netweb Technologies | XNTZF | NETWEB IN | Jatin Kalra, CFA |
| | NYPCB | NANYF | 8046 TT | Mike Yang |
| | Quanta Computer | QUCPF | 2382 TT | Robert Cheng |
| | Samsung Electro-Mechanics | SMSGF | 009150 KS | Simon Woo, CFA |
| | Samsung SDI | SSDIF | 006400 KS | Simon Woo, CFA |
| | Samsung SDS | XWPBF | 018260 KS | Simon Woo, CFA |
| | Shennan Circuits | XAMKF | 002916 CH | Katherine Zhu |
| | Taiwan Union Technology Corporation | TWUNF | 6274 TT | Mike Yang |
| | Unimicron | UMCRF | 3037 TT | Mike Yang |
| | Universal Display | OLED | OLED US | Simon Woo, CFA |
| | Victory Giant | XENEF | 300476 CH | Katherine Zhu |
| | Wistron | WICOF | 3231 TT | Doris Kao |
| | Wiwynn | XWIQF | 6669 TT | Robert Cheng |
| | Xiaomi Corporation | XIACF | 1810 HK | Robert Cheng |
| | Yageo | YGEQF | 2327 TT | Robert Cheng |
| | Zhen Ding Tech | XFAGF | 4958 TT | Doris Kao |
| | Zhongji Innolight | XZICF | 300308 CH | Katherine Zhu |
| | ZTE Corporation | SHZZF | 000063 CH | Katherine Zhu |
| | ZTE Corporation | ZTCOF | 763 HK | Katherine Zhu |
| **NEUTRAL** | | | | |
| | Advantech | ADTEF | 2395 TT | Robert Cheng |
| | Asustek | AKCPF | 2357 TT | Robert Cheng |
| | Auras Technology | AUTCF | 3324 TT | Doris Kao |
| | BYD Electronic | BYDIF | 285 HK | Katherine Zhu |
| | DS Precision | XBASF | 002384 CH | Katherine Zhu |
| | Lenovo Group | LNVGF | 992 HK | Robert Cheng |
| | Lenovo Group | LNVGY | LNVGY US | Robert Cheng |
| | Lite-On Tech | LOTZF | 2301 TT | Doris Kao |
| | Sunny Optical | SNPTF | 2382 HK | Katherine Zhu |
| **UNDERPERFORM** | | | | |
| | Acer | ASIYF | 2353 TT | Robert Cheng |
| | Catcher Tech | CHERF | 2474 TT | Robert Cheng |
| | Compal Electron | XLCPF | 2324 TT | Doris Kao |
| | Delta Electronics (Thailand) | XLETF | DELTA TB | Suppapong Iemkongaek, CFA, CMT |
| | Everwin Precision | XSHZF | 300115 CH | Katherine Zhu |
| | Genius Electronic Optical | GNSEF | 3406 TT | Robert Cheng |
| | Lens Tech | XLTGF | 300433 CH | Katherine Zhu |
| | LG Display | LPHLF | 034220 KS | Simon Woo, CFA |
| | LG Display-ADR | LPL | LPL US | Simon Woo, CFA |

**APR - Technology Hardware Coverage Cluster**

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---|---|---|---|---|
| | Lianchuang Electronic | XWOFF | 002036 CH | Katherine Zhu |
| | Pegatron | PGTRF | 4938 TT | Robert Cheng |
| | Sanan Opto | XEQYF | 600703 CH | Katherine Zhu |
| | Seoul Semiconductor | SLSOF | 046890 KS | Simon Woo, CFA |
| | Shengyi | DGUNF | 600183 CH | Mike Yang |
| | Sunway Communications | XWSVF | 300136 CH | Katherine Zhu |
| | Transsion | XCINF | 688036 CH | Robert Cheng |

## *iQ*method℠ Measures Definitions

| Business Performance | Numerator | Denominator |
|---|---|---|
| Return On Capital Employed | NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization | Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization |
| Return On Equity | Net Income | Shareholders' Equity |
| Operating Margin | Operating Profit | Sales |
| Earnings Growth | Expected 5 Year CAGR From Latest Actual | N/A |
| Free Cash Flow | Cash Flow From Operations – Total Capex | N/A |

| Quality of Earnings | Numerator | Denominator |
|---|---|---|
| Cash Realization Ratio | Cash Flow From Operations | Net Income |
| Asset Replacement Ratio | Capex | Depreciation |
| Tax Rate | Tax Charge | Pre-Tax Income |
| Net Debt-To-Equity Ratio | Net Debt = Total Debt – Cash & Equivalents | Total Equity |
| Interest Cover | EBIT | Interest Expense |

| Valuation Toolkit | Numerator | Denominator |
|---|---|---|
| Price / Earnings Ratio | Current Share Price | Diluted Earnings Per Share (Basis As Specified) |
| Price / Book Value | Current Share Price | Shareholders' Equity / Current Basic Shares |
| Dividend Yield | Annualised Declared Cash Dividend | Current Share Price |
| Free Cash Flow Yield | Cash Flow From Operations – Total Capex | Market Cap = Current Share Price × Current Basic Shares |
| Enterprise Value / Sales | EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities | Sales |
| EV / EBITDA | Enterprise Value | Basic EBIT + Depreciation + Amortization |

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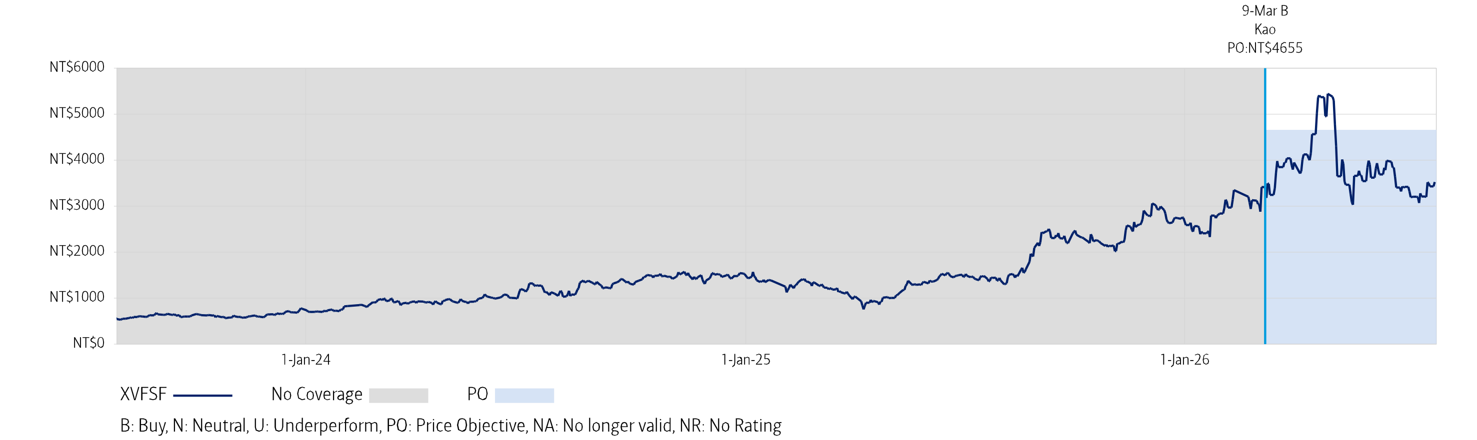
**Jentech (XVFSF) Price Chart**




B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

**Equity Investment Rating Distribution: Technology Group (as of 30 Jun 2026)**

| Coverage Universe | Count | Percent | Inv. Banking Relationships [R1] | Count | Percent |
|---|---|---|---|---|---|
| Buy | 243 | 60.60% | Buy | 123 | 50.62% |
| Hold | 87 | 21.70% | Hold | 45 | 51.72% |
| Sell | 71 | 17.71% | Sell | 21 | 29.58% |

**Equity Investment Rating Distribution: Global Group (as of 30 Jun 2026)**

| Coverage Universe | Count | Percent | Inv. Banking Relationships [R1] | Count | Percent |
|---|---|---|---|---|---|
| Buy | 1987 | 56.11% | Buy | 1190 | 59.89% |
| Hold | 797 | 22.51% | Hold | 496 | 62.23% |
| Sell | 757 | 21.38% | Sell | 391 | 51.65% |

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster[R2] |
|---|---|---|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

[R2] Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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